

## Message Text

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53

ACTION EA-10

INFO OCT-01 EUR-12 NEA-09 ISO-00 SP-02 AID-05 EB-07 NSC-05

RSC-01 CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-02

H-02 PA-02 PRS-01 USIA-15 CIAE-00 COME-00 FRB-01

INR-07 IO-10 NSAE-00 OPIC-06 LAB-04 SIL-01 AEC-07

DODE-00 FEAE-00 FPC-01 INT-05 PM-03 SAM-01 OES-05

/148 W

----- 052964

R 060915Z FEB 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 7836

INFO AMEMBASSY BEIRUT

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY THE HAGUE

AMCONSUL HONG KONG

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY SEOUL

AMEMBASSY STOCKHOLM

AMEMBASSY TEHRAN

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS TOKYO 1615

PASS TREASURY AND FEDERAL RESERVE

E.O. 11652:N/A

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TAGS: EFIN, JA

SUBJECT: ADDITIONAL GOJ PETRODOLLAR BORROWING

1. GOJ DISCLOSED ITS PLANS TO BORROW ABROAD \$2 BIL THROUGH JAPANESE BANKS IN JFY 1975 (BEGINNING MARCH). THIS WOULD BE IN ADDITION TO \$1 BIL BORROWED FROM SAUDI ARABIA IN SEPT AND OCT 1974 (TOKYO 12485, 9/26/74). DISCLOSURE WAS MADE DURING LOWER HOUSE BUDGET MEETING FEB 5 AND HAS RECEIVED WIDE PRESS COVERAGE. OPPOSITION PARTY MEMBER (JAPAN SOCIALIST PARTY) SOUGHT EXPLANATION OF YEN 924 BIL (APPROX \$2 BIL) GUARANTEE APPROPRIATION FOR MOF FOREX SPECIAL ACCOUNT WHICH HE SAID WAS NOT LISTED IN BUDGET DRAFT. HE QUESTIONED WHETHER SUCH LARGE GUARANTEE COULD BE PROVIDED WITHOUT DIET APPROVAL. MOF OFFICIAL EXPLAINED APPROPRIATION REPRESENTS GUARANTEE FOR PROSPECTIVE BORROWINGS ABROAD BY JAPANESE COMMERCIAL BANKS. OFFICIAL SAID DEBT GUARANTEE PLAN WAS READIED JUST IN CASE ANY UNPREDICTABLE CONFUSION CROPS UP DURING YEAR IN TOKYO FOREX MARKET. OFFICIAL REPORTEDLY SAID NO FORMAL DECISION HAS BEEN MADE TO TAKE UP \$2 BIL AND NO NEGOTIATIONS ARE UNDER WAY ON SUCH A DEAL.

2. IT IS KNOWN IN TOKYO BANKING CIRCLES THAT BANK OF TOKYO VPKASHIWAGI ALONG WITH OFFICIALS OF OTHER BANKS ARE CURRENTLY ON MID EAST VISIT TO SEEK ADDITIONAL DOLLAR DEPOSITS DIRECTLY FROM ARAB OIL COUNTRIES. PRESUMABLY DEPOSITORS INSIST ON GOJ GUARANTEE BUT OF USING COMMERCIAL BANK DEPOSIT ROUTE AS DEVICE TO AVOID DIRECT ISSUANCE OF GOJ DEBT INSTRUMENTS, WHICH REQUIRES DIET APPROVAL. LAST YEAR BANK OF TOKYO RECEIVED \$1 BIL IN SAUDI DEPOSITS WHICH THEN REDEPOSITED IN MOF FOREX SPECIAL ACCOUNT. MOF THEN LENT AT LEAST PORTION OF FUNDS TO JAPANESE BANKS, PARTLY IN ORDER TO AVOID SHOWING TOO LARGE MONTHLY A BUILDUP IN OFFICIAL RESERVES.

HODGSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, PETROLEUM INDUSTRY, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition Event:**  
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**Disposition Reason:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EA  
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**Reference:** n/a  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ADDITIONAL GOJ PETRODOLLAR BORROWING  
**TAGS:** EFIN, JA  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006